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SUBJECT: TAJIKISTAN: ANNUAL ENERGY CRISIS COULD BE EVEN MORE  
DISASTROUS THAN LAST WINTER

11. (SBU) Summary. On November 1, Tajikistan began receiving energy from Turkmenistan as part of an agreement to import 1.2 billion kilowatt-hours this winter. A separate arrangement to import 600 million kWh from Uzbekistan is still some distance from being realized. The Turkmenistan deal, which had been held up several times this fall because of Uzbekistan's reluctance to allow the power to be transported along its electricity grid, will be essential to helping Tajikistan get through the winter. But it will not be enough. With record-low water levels at the Nurek Hydroelectric Station, which generates 75% of Tajikistan's domestic power, some worry that the country may be facing a repeat of last winter's energy crisis. Rising fuel costs will exacerbate the problems. End summary.

Turkmenistan Has the Electricity but Uzbekistan Wields the Power

12. (U) The Tajik media reported that on November 1, Tajikistan began receiving much-needed supplies of power from Turkmenistan. According to an agreement signed between the two countries in 2007, Ashgabat will provide Tajikistan with 1.2 billion kilowatt-hours (kWh) of electricity each winter until 2012, at a cost of three cents per kWh. Tajikistan's state electricity company Barki Tojik had been negotiating with Ashgabat since August to start the flow of power this year, but implementation was delayed several times because of difficulties securing permission to transport the electricity through Uzbekistan's transmission lines. Even after Presidents Rahmon and Karimov agreed in principle in mid-October to start the flow, formal implementation of the agreement was still held up several times. The power was finally turned on only after Sharif Samiev, the head of Tajikistan's state electricity company Barki Tojik, made an October 30-31 visit to Ashgabat and Tashkent. Tajikistan has agreed to pay Uzbekistan USD \$0.003 per kWh in transit fees.

13. (SBU) In addition to purchasing power from Turkmenistan, Tajikistan also has an agreement with Uzbekistan to trade energy annually: Tajikistan provides Uzbekistan with 900 million kWh of hydro-generated power in the summers in exchange for 600 million kWh from Uzbekistan's natural gas-fired plants during the critical winter months. Last year, a 500 kV transmission line between the two countries was repaired, and the exchange worked as negotiated. However, the terms of the agreement must be reapproved each year by both countries. In a meeting on October 30, Tajikistan's First Deputy Minister of Energy and Industry, Pulod Muhiddinov, told us that there are indications from Tashkent that Uzbekistan may not provide the full 600 million kWh this winter. He said the status of the Uzbek power will become clearer after an inter-ministerial meeting scheduled for late November in Tashkent. Whatever power Uzbekistan ultimately provides, however, will not begin flowing to Tajikistan until the new year.

Outlook Worrisome for Domestic Power this Winter

14. (SBU) The Turkmenistan agreement represents an essential step in helping Tajikistan get through the winter. However, the country's

most critical energy component is the Nurek Hydroelectric Station, which is responsible for 75 percent of Tajikistan's 4,000 MW production capacity. The outlook this year is not good. According to Muhiddinov, partly as a result of this summer's drought, the water level in Nurek's reservoir is the lowest it has been in the dam's 36-year history. For the first time ever, the reservoir was not filled to its 910-meter capacity. As a result of the eight meters by which it fell short, Nurek will produce some 850 million kWh less than it did last winter.

15. (SBU) To make matters worse, according to recent news accounts, Nurek's water level is currently just 31 meters above the "dead point," below which the plant can no longer generate power. There are concerns that due to its low starting point and lower-than-average inflow from the Vakhsh River, Nurek may go off-line at some point during the late winter. The Vakhsh is currently adding some 10-15 centimeters a day to the reservoir, but that flow may go down to as low as 0-5 centimeters, as it did last winter. With the dam consuming between 20 to 50 centimeters a day, without further reducing production Nurek could lose the ability to generate power as early as February or just when the country is experiencing its lowest temperatures and its greatest need for heating.

16. (SBU) Muhiddinov told us that the Nurek losses will be offset somewhat by power from the Sangtuda-1 Hydroelectric Station, which has just come on-line this year. Two of the station's four turbines are now operating, with the third scheduled to begin service in November and the fourth in February or March of next year. (Note: earlier press releases announced that all four turbines would be on-line by December. End note.) Sangtuda-1 should be able to provide 150-160 million kWh per month over the winter using three

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turbines, which should just about make up for the Nurek losses.

17. (U) With inadequate hydroelectric capacity, a large share of Tajikistan's population will rely on coal and liquefied petroleum gas (LPG) for heating. Over the first nine months of 2008, Uzbekistan exported 650 million cubic meters of natural gas to Tajikistan, at a cost of US \$145 per 1,000 cubic meters. As of September, Tajikistan's debt to Uzbekistan for the gas was US \$6 million, half of it owed by Barki Tojik. As a result of the debt, Uzbekistan has already cut natural gas supplies to Tajikistan by 50%, and there are concerns that without repayment it may shut off the flow entirely, as it has in the past. Finding the money to pay back the debt is hampered, Tajik officials say, by ineffective metering and widespread illegal connections to gas and electricity lines that result in losses of 25 to 30% of Barki Tojik's potential revenue.

Where Does This Leave Jamshed the Plumber?

18. (SBU) According to Samiev, the agreement with Turkmenistan will allow residents to receive an additional two hours of power a day. Without it, electricity supplies in most parts of the country this winter would have been reduced to only four to six hours a day. Most here believe, however, that in light of Nurek's low expected production this year, these figures are optimistic. They express similar doubt about promises to supply Tajikistan's five chief cities or the capital, Dushanbe, along with Khujand, Kurgan-tube, Tursunzade, and Kulyob or with round-the-clock power. Samiev himself said in a recent interview, "We have the president's order that electricity rationing should not be applied to Dushanbe. That is why there is no power rationing in the capital so far. However, this does not mean that there will be light everywhere." (Note: Indeed, some Embassy employees report that they are already experiencing power outages in the capital. End note.)

19. (SBU) While Samiev and other Tajik officials say that the imported power will be provided first and foremost to Tajik residential consumers, few here have any illusions about where the lion's share of the electricity will actually go. Tajikistan's sole major industry and its chief foreign revenue earner, the Talco aluminum plant in Tursunzade, accounts for some 40 to 60% of the country's entire power consumption, or nearly 600 million kWh per

month. Authorities have been loathe to decrease power to the plant in the winter; President Rahmon and his family members are reportedly direct beneficiaries of the plant's revenues. With world aluminum prices off by over a third from their summer high, however, Talco's revenues are likely to decline significantly this year, which will in turn affect the country's ability to fund future power imports. Experts say, however, that even if there was the political will to shut the plant down in order to free up energy for residents, the resulting damage to the plant could ultimately be more costly than keeping it on-line through the winter.

¶10. (U) For the average resident, increasing fuel costs will make it even more difficult to get through the winter. The price of gas has increased by 25% since last year (from US \$0.79 to US \$1.00 per liter), and diesel, which is used to power generators, is even higher, at US \$1.12 per liter. Beyond this, Barki Tojik has said it will raise electricity prices by 40% next year. Despite these grim numbers, vendors are importing large numbers of generators, and Dushanbe's Sultoni Kabir market now offers a wide variety of LPG, QDushanbe's Sultoni Kabir market now offers a wide variety of LPG, kerosene, and electrical heating systems, at prices ranging from US \$80 to US \$2,000.

¶11. (SBU) Comment: Tajikistan's chronic energy problems will mean yet another difficult winter for its residents. The country remains dependent on Uzbekistan for support, but the poor relations between the two countries continue to make it difficult for Tajikistan to secure the energy it needs. There are some bright spots this year: Sangtuda-1 is now online, and much of the diplomatic groundwork for importing power from Turkmenistan and Uzbekistan has already been laid. But it is still unclear whether these factors will offset the challenges: Nurek's water level is at a historic low, aluminum prices are plummeting, and fuel costs continue to rise precipitously. In the long term, energy stability for Tajikistan will not come until the country is better integrated into regional energy networks. For now, however, the biggest hope is that last year's frigid winter was truly a once-in-a-half-century occurrence. End comment.